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THE BREWERS OF ONTARIO

Government
Publication

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A response to The Ontario Youth Secretariat Youth and Alcohol Study of April 1st. 1976

PREPARED BY
THE BREWERS OF ONTARIO
JUNE 1976



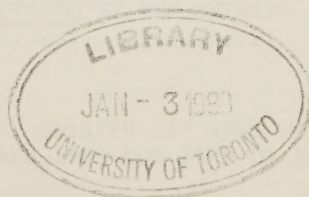
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A RESPONSE
TO THE
ONTARIO YOUTH SECRETARIAT STUDY
"YOUTH AND ALCOHOL"

* PREPARED BY
THE BREWERS OF ONTARIO
JUNE, 1976

* CARLING O'KEEFE LIMITED
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ONTARIO BREWERS ADOPT A POSITIVE VIEWPOINT
TOWARDS THE REPORT

This paper presents the assessment and response of the Brewers of Ontario to the Report of the Ontario Youth Secretariat for the Cabinet of Ontario entitled "Youth and Alcohol", released April 1, 1976.

In developing this response, the Brewers of Ontario have taken the viewpoint that the consumption of alcoholic beverages by the youth of Ontario, and the behavioural patterns which result from this practice, are, and should be, of legitimate concern not only to the Government of Ontario but also to the manufacturers and distributors of alcoholic beverages in the province and to the public in general. This is particularly so when the drinking practices of even a small proportion of this group result in detrimental effects both to the youthful drinker and to the society in which he or she must function.

Although relatively little validated information is available about the drinking practices of Ontario youth, and particularly about the extent and causative factors leading to alcohol abuse by this group, the Ontario Brewers have a strong and continuing desire to participate in developing a better understanding of, and

solution to, any problems relating to alcohol abuse which may exist with the youth group - and, in fact, with any other age group in the province. Unquestionably, there is a need for policies and programs in this area which are more productive and effective. In order to develop such policies and programs, all interested parties - public policy makers, researchers, alcoholic beverage producers and sellers, and the young people of Ontario themselves - will have to work co-operatively towards mutually agreed upon goals. It is in this context that the Brewers of Ontario have reviewed the discussion of issues and the 32 recommendations of the "Youth and Alcohol" study.

While giving full recognition to the serious time constraint (72 days) within which the Ontario Youth Secretariat was required to prepare its report, the complexity of the issues involved, and the problems which other jurisdictions throughout the world have encountered in dealing with similar issues, it is difficult to make a thorough assessment of all the issues raised and recommendations made, since (as acknowledged in the Report) information is very limited on several of the critical issues and some of the recommendations are contingent on others, or indeterminate as to their consequences.

Nevertheless, the Ontario Brewers have concluded that 13 of the 32 recommendations⁽¹⁾ are likely to result in essentially beneficial and productive results, if implemented, and these recommendations are clearly endorsed by the Ontario Brewing Industry.

Concerning 13 other of the recommendations⁽²⁾, the Ontario Brewers are unable to reach any firm conclusions (because of the way in which the recommendation was presented) or have concluded that they would be neutral on the issue covered by the recommendation and therefore would support whatever reasonable decision the Ontario Government takes on the matter. Thus, for 26 of the 32 recommendations contained in the "Youth and Alcohol" report, the Ontario Brewers essentially have adopted a positive and supportive position.

However, there are 6 recommendations contained in the study⁽³⁾ (all but one of which deal with the pricing and advertising of alcoholic beverages) to which the Brewing Industry in Ontario is adamantly opposed.

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- (1) Recommendations Nos.: 2, 3, 13, 16, 17, 20, 21, 22, 23, 24, 25, 26, 29
(see Appendix I)
- (2) Recommendations Nos.: 1, 4, 5, 6, 7, 8, 12, 18, 19, 27, 28, 30, 31
(see Appendix II)
- (3) Recommendations Nos.: 9, 10, 11, 14, 15, 32
(see Appendix III)

While the basis of this opposition is discussed in some detail in a subsequent section of this report, generally it is related to the limited or unsubstantiated information upon which the recommendations have been made, and therefore the inaccurate or incorrect conclusions which have been reached concerning the impact of the pricing and advertising of alcoholic beverages on Ontario society.

Even though they oppose 6 of the 32 recommendations contained in the "Youth and Alcohol" report, the Brewers of Ontario still desire to take a constructive role in dealing with the issue of Youth and Alcohol in Ontario. Therefore, some recommendations are included in this paper which it is believed could result in a more productive approach to the issue of Youth and Alcohol in Ontario than would result if these 6 recommendations which are opposed by the Brewers were adopted.

The Brewers' response to the 32 recommendations should be considered in the light of recent and current trends in the rates of growth of the three major components of the alcoholic beverage industry. With reference to choice of beverages, Dr. R. G. Smart of the Addiction Research Foundation noted in "The New Drinkers" (page 97)

"Research shows that youthful drunkenness is more common after drinking liquor rather than beer or wine. Parents could provide a more positive model by choosing to drink low alcohol beverages instead of liquor."

Yet, per capita consumption of alcohol in beer is in its third consecutive year of decline. Coincidentally, and for the past 10 years, there have been significant increases in the consumption of wine and spirits (see Appendix IV). Analysis further indicates that the percentage of total absolute alcohol consumed in the form of beer has been declining for well over 10 years (see Appendix V).

Finally, the rate of growth in adult per capita consumption of absolute alcohol consumed in the form of beer declined significantly after the lowering of the drinking age in 1971 (see Appendix VI).

THIRTEEN RECOMMENDATIONS ARE ENDORSED
BY BREWERS

As mentioned above, there are 13 recommendations contained in the "Youth and Alcohol" report which the Ontario Brewers can clearly support. These recommendations, and a brief explanation of the basis for supporting them, is presented below. The Government of Ontario is urged to take action on these recommendations.

Recommendation 2

The Ministries of the Attorney General, the Solicitor General, and Consumer and Commercial Relations, should more strictly enforce the laws and regulations that pertain to alcohol-related offences.

While the Ontario Brewers do not believe that punitive action is the total answer to the problems of alcohol abuse by young people (and others), they do believe that there is already in place a set of laws and regulations which, if enforced, provide a significant deterrent to alcohol abuse. These laws and regulations should be more strictly enforced. This position is taken not as a criticism of our law enforcement system but as a recognition that better use of existing facilities can in itself bring about a reduction in alcohol-related problems.

Recommendation 3

There should be a stricter enforcement of the laws that pertain to drinking-driving offences (not just for youth but for all age groups).

Recommendation 3 is closely related to Recommendation 2, and it follows logically that endorsing one implies, or requires, endorsement of the other. It is generally accepted that alcohol-related automobile accidents are a major (and growing) source of cost and misery to society. It is not clear, however, that this problem is any more critical with young drinker-drivers than with other age groups. Therefore, the Brewers particularly emphasize that Recommendation 3 should apply to all age groups.

Recommendation 13

The Government of Ontario, through its appropriate ministries and agencies, should evaluate the impact of present programs with a view to further developments of alcohol education programs regarding alcohol use.

This recommendation illustrates a recurring observation throughout the "Youth and Alcohol" report and a point already stressed in the introduction of this paper. There is an acute need to evaluate the impact and effectiveness of present alcohol-related policies and programs before new ones are contemplated or adopted. In many instances, and alcohol education is one, there has not yet been

developed a sufficient information base upon which to thoroughly understand the problems involved, let alone develop new solutions to these problems.

Recommendation 16

The Government of Ontario should direct or commission extensive research into the effect of alcohol advertising on the population, in general, and on youth, in particular.

The basis of our support for this recommendation is essentially the same as for Recommendation 13. However, the Ontario Brewers feel strongly that any 'extensive' research as suggested in this recommendation should also include the influence of the portrayal of alcohol consumption and associated lifestyles contained in the program content of television (in particular) as well as the advertising content. We suggest that the advertising of alcoholic beverages is only one, perhaps small part of the total media influence on youth, and others, concerning proper or improper drinking habits. A further dimension of the issue concerns U.S. telecasts beamed into Ontario, particularly beer commercials which do not meet CRTC or LLBO standards. Research should include study of their impact.

Recommendation 17

The Ministry of Consumer and Commercial Relations provide mandatory cards displaying the individual's picture for purposes of accurately identifying those over the age of nineteen wishing to purchase or consume alcoholic beverages. A period of sixty days should be given to procure an age card during which time the cards should be free.

The Ontario Brewers endorse this recommendation with the modification that such identity cards should be required for persons "over the legal drinking age" rather than nineteen years as specifically stated. It is recognized that the present (informal) identity methods can, in some instances, be circumvented by the under-age drinker. Although through the Brewers' Warehousing Company, the Ontario Brewing Industry has an aggressive and effective program of preventing the sale of its products to those below the legal drinking age, it is recognized that the identification issue is a difficult one to manage, particularly by licensees, and Recommendation 17 would likely reduce this management problem. However, this may create a problem for non residents.

Recommendation 20

The Ministry of Education should place greater stress on health education, in general, and alcohol education, in particular.

Recommendation 21

The Ministry of Education should provide more extensive and adequate teacher training regarding both the content and processes of alcohol education.

Recommendation 22

There should be a better developed and tested series of alcohol curriculum guidelines.

Recommendation 23

The Ministry of Education should encourage explicit consideration of alcohol within education before Grade 7 (e.g. Grades 5 and 6).

Recommendation 24

A greater emphasis should be placed on research and evaluation concerning:

- (i) how present curricula are being used;
- (ii) the problems and successes of present programs;
- (iii) student and teacher needs;
- (iv) optimal ways of developing and implementing new programs; and
- (v) the impact of new programs.

Recommendation 25

Greater efforts should be made to educate "society" regarding alcohol, its uses and its effects.

Recommendation 26

Driver education courses approved by the Government should have an adequate amount of alcohol-related content.

Recommendation 29

Tests that qualify applicants for a beginner's driving permit should contain significant questions concerning alcohol.

Recommendations 20, 21, 22, 23, 24, 25, 26 and 29, all dealing with increasing emphasis on alcohol-related educational programs, follow logically from the endorsement of Recommendations 13 and 16. If and when better educational programs are developed, it seems obvious and desirable that such programs should be introduced into our educational system at the broadest and lowest feasible levels. The Ontario Brewers intuitively believe that the education of youth in the moderate and socially integrated use of alcoholic beverages may present one of the more effective policy options for reducing subsequent alcohol-related problems.

BREWERS' POSITIONS ON ANOTHER 13 RECOMMENDATIONS
ARE NEUTRAL OR CONDITIONAL

In addition to the 13 recommendations to which the Ontario Brewers can give their positive support, there are an additional 13 recommendations, discussed below, on which it was very difficult to take a firm position at this time. This occurred because there was insufficient information given in the report, or available from other sources, upon which to develop a carefully considered position, or the recommendations were indeterminate as to their consequences or very conditional on other recommendations.

Specifically, the following observations are presented about this second set of 13 recommendations.

Recommendation 1

The Government of Ontario should select and implement one of the appropriate alcohol policies outlined in Ontario's Beverage Alcohol System: Policy and Organizational Options prepared by the Management Policy Division of Management Board in November, 1974.

As the Brewers have not been given an opportunity to review the Management Board proposal, they are not in a position to comment at this time. We would suggest that as this policy document is referred to in a public

study, and might well have far-reaching implications for the Brewing Industry, it is proper that it be made available for study and comment.

Recommendation 4

There should be a substantial minimum penalty for under-age purchasing and consumption of alcohol.

Recommendation 5

There should be a substantial minimum penalty for legal purchase of alcohol by an adult for a minor.

Recommendation 6

There should be a substantial minimum penalty for liquor licence holders who serve alcohol to a minor.

All three of these recommendations are closely related to, or contingent on, existing law and regulations and/or Recommendation 2 of the study. To the extent that these three recommendations support or conform to Recommendation 2, the Ontario Brewers would endorse them. However, it should be noted that present legislation⁽¹⁾ allows an adult to supply liquor to a minor under certain conditions which may conflict with Recommendation 5.

(1) Section 45 (5): The Liquor Licence Act 1975.

The Ontario Brewers certainly support what they believe is the intent of Recommendation 5, which is that an adult should not be permitted to purchase alcoholic beverages for a minor who is not a member of his immediate family and whose drinking practices the adult will not personally supervise.

Recommendation 7

No further changes (which may be perceived as liberalization) should be made to the Liquor Control Act and the Liquor Licence Act specifically as they relate to young people, until and unless the consequences of these changes are known.

This is an indeterminate recommendation. If no further changes are made, it seems obvious that the consequence of further change must be unknown. We simply do not understand how the Ontario Government could act upon this recommendation.

Recommendation 8

The Ministry of Consumer and Commercial Relations should separate the legal drinking age from the 1971 age of majority package and raise it to nineteen years for a significant length of time to determine the effects with a view to future changes after the effect has been studied.

Whether such a measure would, in fact, be a major factor in curbing alcohol abuse among young people - or even

whether the "effects" which would govern "future changes after the effect has been studied" can be identified and measured - is very difficult to determine. With reference to drinking-driving effects, Dr. R. G. Smart of the Addiction Research Foundation noted in "The New Drinkers" (page 129):

"We know little or nothing about whether the adverse effects of the new age laws on drinking and driving problems will continue to increase. A plateau in the effect of many laws has been noted."

The concern of the "Youth and Alcohol" study appears to be focused on the increasing incidence of the consumption of alcoholic beverages by high school students - particularly in the upper grades of the school. It seems probable to the Ontario Brewers that the influence of the drinking patterns of Grade 13 students on lower grade students is likely considerable. However, many of these Grade 13 students would still be able to purchase alcoholic beverages legally even if the age requirement is raised to 19 years. Thus the legal drinking age dilemma is really to decide on how high the legal age should be to reduce the high school problem. Perhaps one solution to this dilemma (which would require other major considerations as well) would be to eliminate Grade 13 from the Ontario high school curriculum, thus moving one major

negative influence completely out of the high school system.

Obviously, the raising of the legal drinking age to a level higher than that pertaining to other civil liberties such as driving, voting, marriage without consent, military service, raises some very difficult social and political problems.

Recommendation 12

The price of non-alcoholic beverages in licensed premises should be no greater than 1/3 of the average price of a mixed drink. In addition, non-alcoholic beverages should be mandatory and their availability should be promoted.

While the Ontario Brewers can support in principle the availability of non-alcoholic beverages in a licensed premises (which in fact now exists), it is not within their domain to endorse any specific price relationship between alcoholic and non-alcoholic beverages.

Recommendation 18

The Ministry of Transportation and Communications should provide probationary rather than full licences to those between the ages of sixteen and eighteen years inclusive. Any drinking-driving offense committed on this

probationary status would mean the immediate loss of driving privileges for one year upon a first offense and two years upon a second offense.

The concept of a probationary period for all new drivers, regardless of age, seems a sensible one. Insurance statistics suggest that this initial 1 - 3 year period after receiving a driver's licence is a high accident-prone period. However, the Ontario Brewers do not understand the logic of confining this probationary period to persons between 16 and 18 years, nor limiting the penalties to drinking-driving offenses, since there are many other bad driving practices which should be isolated and corrected during the initial driving years.

The principle to be incorporated in Recommendation 18 should be to encourage new drivers to develop good driving (as well as drinking) habits. Whether this can best be accomplished through special educational efforts, or punitive regulations, the Ontario Brewers do not know. But some action directed towards new drivers who are also of drinking age does seem appropriate.

Recommendation 19

The Government of Ontario should direct or commission intensive research to determine the significance of the operating practices and the proximity of those licensed premises and retail alcohol outlets close to high schools and other congregating places for young people.

The Ontario Brewers find this recommendation very difficult to evaluate, either as to its purpose or potential worth in helping to solve any problems of youth and alcohol in Ontario. Until a much fuller explanation of the objectives of such "intensive research" are given, they cannot adequately comment on Recommendation 19.

Recommendation 27

The priority of driver education in high schools should be elevated to the level of a credit course.

Recommendation 28

The Ministry of Transportation and Communications should make provisions for those unable to benefit from driver education given in the public school system.

Recommendation 30

The Ministry of Transportation and Communications and the Ministry of Education should co-operate in the development of a comprehensive driver education program.

As discussed in other parts of the paper, the Ontario Brewers strongly endorse the development of educational programs relating to appropriate drinking practices as one preventive policy for reducing alcohol abuse. Thus

they endorse in principle the inclusion of driver education courses in high schools, and their availability to other segments of the Ontario public. But whether such courses should be given credit standing, or whether similar courses should be made available to the public through the Ministry of Transportation and Communications, paid out of the general taxes (rather than being paid for by the specific users), are matters beyond the legitimate concern of the Ontario Brewers.

If Recommendation 30 is implemented, the Ontario Brewers feel strongly that the Ministry of Consumer and Commercial Affairs, which administers the liquor legislation of the Province, should also be included, and play a major role.

Recommendation 31

The Government of Ontario, through the Ministry of Health, should encourage the development of a few experimental treatment facilities or programs explicitly for youth and should monitor their effectiveness.

The Ontario Brewers are able and willing to participate in the formulation of policies and programs designed to teach and encourage moderate drinking practices in Ontario, and to prevent or reduce the incidence of alcohol abuse. However, the treatment of those persons,

young or old, who have alcohol-related problems is a matter for those who are professionally trained and experienced in this area. Thus, whereas they endorse the principle of the recommendation, the Brewers feel that they must take an essentially neutral position on Recommendation 31.

SIX RECOMMENDATIONS ARE OPPOSED

Although the Ontario Brewers find that they can take a generally supportive and positive position to 26 of the 32 recommendations contained in the "Youth and Alcohol" report, there are six recommendations contained in that report to which the Brewers are adamantly opposed. These recommendations and the basis for the Brewers' opposition is discussed below.

Recommendation 9

The price of alcoholic beverages should be based on the concentration of alcohol present in those beverages to achieve a consistent alcohol pricing policy.

Recommendation 10

The price of alcoholic beverages should be pegged to the average disposable income.

The above two recommendations are, in fact, simply a reiteration of the relative price theory espoused by the Addiction Research Foundation in the policy paper of June 1972 by H. O. Archibald entitled "Epidemiological Studies of the Effects of Government Control Measures". This theory would first set the consumer price of alcoholic beverages in such a manner as to equalize the cost per ounce of the contained alcohol,

and then escalate the prices so determined to a level at which the price of a gallon of absolute alcohol (in any beverage) would be equivalent to approximately 1/20th of the per capita average disposable income.

The Relative Price Policy proposed by the Addiction Research Foundation of Ontario is based on the premises that:

- a) The effects of alcohol are the same regardless of the beverage in which it is ingested.
- b) The only feasible approach to reducing hazardous drinking is to reduce the consumption level of the whole population.

Contrary to the assumption expressed in the "Youth and Alcohol" report (on page 11) that "the controversy does not arise from the contradictory nature of the research data and expert opinion, but from public opinion and acceptability", there are contrary research data and expert opinion on the validity of the relative price theory, and on its practicality and probable effectiveness. In fact, it would result in public resentment and hardship.

To cite just two authoritative sources which refute the relative price theory and its probable effects, firstly the Commission of Inquiry with the Non-Medical Use of Drugs (Le Dain Commission) in its Final Report,

page 35, concluded:

"It has been proposed that raising the relative price of alcohol (in relation to disposable income) would be an effective means of reducing the use of this drug in the general population and thus decreasing the problems associated with heavy alcohol consumption. While some change in patterns of use would undoubtedly occur in some individuals as a result of an increase in the cost of licit alcohol, we feel that this is not likely to be a practical or effective method of bringing about a significant reduction in compulsive dangerous alcohol use."

Secondly, one of the major conclusions of the report:

"Beer, Wine and Spirits: Beverage Differences and Public Policy in Canada" published in 1973 by the Alcoholic Beverage Study Committee, Lancelot J. Smith, F.C.A., Chairman, was as follows:

"We conclude then that on the basis of the evidence available to date, there are solid grounds for taxing alcoholic beverages differentially in relation to the alcoholic content of the beverages.

"Specifically, we consider that it would be appropriate to tax alcoholic beverages in such a manner that the price to the consumer per unit of alcohol contained rises progressively as the alcoholic strength of the beverage rises."

Both the above citations and others which can be given, if required, clearly illustrate that the authors of the "Youth and Alcohol" report were either misinformed, or misunderstood the extent to which the ARF relative price

theory is accepted either by professional researchers, or public policy makers. In Canada (and, to our knowledge, in the world) there is no jurisdiction, including Ontario, which has endorsed and implemented the ARF relative price theory for alcoholic beverages. In fact, the reverse is true: most jurisdictions maintain a substantial differential in taxes, and subsequent consumer prices, between beverages of different alcohol content. Appendix VII illustrates this point and shows that the average rate of taxes on spirits to beer in 15 countries is 4.7:1 whereas in Canada that ratio is only 2.7:1 and in Ontario 3.9:1.

This universal practice recognizes the significance of between-beverage differences. Beer is seen as a natural unfortified product of low alcohol content which has a substantial nutritional value. In addition, the distinctive seasonal pattern of beer sales (paralleling that of soft drinks) clearly indicates that beer has refreshment, thirst and restitutive attributes not found in the other alcoholic beverages. Beer, wine and spirits are also distinct in their social functions, and each fulfills special and different needs for different groups in our society.

Notwithstanding the questionable theoretical basis of the relative price theory upon which Recommendations 9 and 10 are based, the impact on the prices of each type of alcoholic beverage of implementing such a policy (see Appendix VIII) would be totally impractical and unacceptable to the public. The price of 24 beer would rise (under Recommendation 9) from \$6.35 to \$9.36, whereas the price of a representative, inexpensive Canadian gin would remain unchanged at \$6.50 for a 25-ounce bottle. Under Recommendation 10, if the price were "pegged" at 1/20th of per capita average disposable income, 24 beer would cost the consumer \$28.50, and a 25-ounce bottle of the same gin would cost \$19.84.

Recommendation 11

The Provincial Government should seriously consider increasing the price of alcohol to a level that would significantly reduce alcohol abuse and also provide adequate revenue to cope with the "entire" cost incurred by society for the privilege of having readily available alcohol.

This recommendation assumes:

- 1) Raising the price of alcoholic beverages will significantly reduce the consumption habits of those (relatively) few persons who habitually consume alcohol in excess or are alcoholics.

- 2) The "entire" cost incurred by society is determinable and requires an increase in the cost of alcohol.
- 3) Special or "earmarked" taxes for the purpose suggested are an appropriate and accepted method of taxation.
- 4) There are no positive benefits to society "for the privilege of having readily available alcohol" which in part at least may offset the assumed negative effects.

The Ontario Brewers contend that all four above assumptions upon which Recommendation 11 appears to be founded are fallacious.

There is, to our knowledge, no substantiated evidence that those who abuse alcohol significantly reduce their consumption patterns as a result of increased costs. The moderate drinker (over 85% of the drinking population) would be more likely to reduce his consumption levels in the face of significant price increases. The probability that the same behavioural pattern would be followed by the individual who habitually abuses alcohol, or is addicted to it, is, to say the least, small. He will allocate more of his income to his addiction, or he will seek illegal substitutes for available alcoholic beverages.

The Ontario Brewers acknowledge a need to determine more accurately the total "net" costs incurred by society from

the consumption of alcohol. Such a determination should include the positive benefits as well as negative effects. "Entire costs" cannot be the basis for changing the consumer prices of alcoholic beverages.

The Ontario Brewers are opposed to the practice of 'ear-marked' taxes, as are most tax authorities in Canada. To assign the total costs of alcohol-related traffic accidents, or hospital costs, or welfare costs, or any other cost category which in some way can be associated with alcohol to a special tax cannot be justified on the basis of equity or feasibility; nor would it be consistent with government policy and practice with respect to other goods and services having perceived net costs to society.

Recommendation 14

The Government of Ontario, through the Ministry of Consumer and Commercial Relations, should strongly encourage producers of alcoholic beverages to allocate sizeable portions, perhaps 20%, of their advertising expenditures to the portrayal of the personally and socially harmful, costly and undesirable aspects of alcohol consumption including the individual's responsibility in this regard and the positive alternatives to alcohol consumption and abuse.

The Ontario Brewers have already stated their strong support for Recommendation 16 which calls for extensive research into the effects of alcoholic beverage advertising.

On this basis alone, it would be inconsistent to endorse Recommendation 14, which calls for specific changes regarding alcoholic beverage advertising even before the study of the effects of present advertising is conducted. The Ontario Brewing Industry has already indicated its willingness to take positive action when the conclusions of the research proposed in Recommendation 16 are known, and positive informational and educational messages and programs have been developed. It is the present position of the Ontario Brewers that if they had to include essentially negative, counter-productive messages, they would likely follow the example of their colleagues in Manitoba and cease or reduce advertising to the degree possible within their existing media contracts.

But there are more basic reasons why the Brewers are opposed to Recommendation 14. Any action which might be taken by the Government of Ontario to "strongly encourage (the Brewing Industry) to allocate sizeable portions, perhaps 20%, of their advertising expenditures to the portrayal of....the personally and socially harmful, costly and undesirable aspect of alcohol consumption...." would be considered as a basic infringement on what, to the present at least, has been a legitimate right to advertise and promote products within the

existing law and regulations. The Ontario Brewing Industry has an outstanding record of compliance with the policies, regulations and guidelines which control advertising and which have been properly administered by the Advertising Clearance Committee of the CRTC and by the Liquor License Board of Ontario.

Further to this point, it was but a little more than a year ago that Provincial Government officials responsible for the administration of the Directive on Advertising reviewed current Industry Advertising. The conclusion was that it was responsible in content and that previous problems had been eliminated.

Finally, if the concept of contra-advertising is valid, it should be applied to any and all consumer goods and services which might be misused by even the smallest minority.

Recommendation 15

Each package and individual container of alcoholic beverages should contain a warning as to the possibly harmful effects of alcohol consumption and the problematic effects of alcohol abuse.

The Ontario Brewers are opposed to the use of "warning" labels on beer packages for three main reasons:

1. The warning message implies or states a health hazard which simply does not exist when the product is properly and moderately used.
2. In an analogous situation (tobacco products), the warning message has proven to be ineffective in deterring either use or abuse of the product. To quote a U.S. Federal Trade Commission Study:

"The warning statement.....has proven to be ineffective mainly because few people seem to pay any attention to it."
3. In a survey conducted by the Brewing Industry among officials in the Federal Department of Health and Welfare, it was clearly established that those officials recognized the ineffectiveness (and hypocrisy) of the "warning label" requirement.

Warning labels on beer packages are clearly an ineffective, and possibly confusing, method of encouraging consumers to adopt moderate, healthful drinking practices. Furthermore, such warning messages may be viewed by the consumer in a cynical manner, and portray the Industry as being hypocritical about the problems of alcohol abuse.

The Ontario Brewers cannot endorse a recommendation which could lead to such consequences. Any "warning" message essentially is a negative way of trying to bring about a positive change in consumers' drinking patterns. The warning label does not provide any positive model for moderate drinking or encourage socially integrated drinking practices.

Other jurisdictions have considered and rejected the idea of warning labels, partly on the grounds of their ineffectiveness, partly in the belief that they might be construed as a challenge or a dare by the immature.

While the Ontario Brewers are not proposing the use of any specific statement on the labels of alcoholic beverages, if one were required, it would seem that something along the line of "Drink this beverage in moderation for more enjoyment and better health" might be a better statement to indicate the desired results than that which is generally proposed for warning labels.

Finally, if the concept of warning labels is valid, it should be applied to any and all consumer goods which might be misused by even the smallest minority. This would have to include all products imported by the LCBO.

Recommendation 32

The Addiction Research Foundation of Ontario should be given the mandate to conduct all research in the following recommendations made previously in this report.

Recommendation 8	(Age)
Recommendation 16	(Advertising)
Recommendation 19	(Proximity to youth)
Recommendation 22, 24	(Education)
Recommendation 21	(Counselling)

In opposing Recommendation 32, the Ontario Brewers acknowledge the international reputation which the Ontario ARF has in specific areas of alcoholism research and treatment. However, the Brewers do not concede that this expertise extends to all the areas of research proposed in the "Youth and Alcohol" report. Frankly, it would be surprising if the senior research personnel of ARF would accept the mandate proposed in Recommendation 32 as being within their professional competence.

The research proposals contained in the "Youth and Alcohol" report are broad in scope and complex in nature. Such research would undoubtedly require a multidisciplinary approach and should engage research experts from several sources and varied backgrounds. To do otherwise might seriously limit the objectivity and credibility of the research results.

The Ontario Brewers are prepared to co-operate and supply information for the various research projects suggested in the Report to the best of their abilities and resources if the multi-disciplinary and organizational approach is adopted.

SUMMARY AND CONCLUSIONS

In making their assessment of the issues raised and recommendations made in the "Youth and Alcohol" report, the Ontario Brewers have tried to adopt a basically positive and constructive viewpoint. The issues surrounding the use and abuse of alcoholic beverages in Ontario, particularly by young people, are of vital concern to the Brewers. They wish to participate in the development of appropriate solutions to these issues and not be perceived as a cause of the problems.

There are 13 of the Report's recommendations which the Ontario Brewers endorse and on which they urge the Ontario Government to take action. These deal with strengthening the enforcement of existing regulations pertaining to alcohol-related offences and the development of a wide range of educational programs designed to inform and motivate Ontario's youth (and other age groups) to adopt moderate, healthful drinking habits. The Ontario Brewers also strongly endorse the conduct of extensive

research into the influence and impact of alcoholic beverage advertising in the Province. It is critical that the information base in the important area of alcohol policy be enlarged before new policies are developed and adopted which may increase, rather than mitigate, an already complex and emotionally-charged issue.

On 13 additional recommendations of the Report, the Ontario Brewers cannot present a clear position because these recommendations are either contingent upon others, inadequately explained or substantiated in the Report, or are of no legitimate concern to the Brewers. However, even for these 13 recommendations, an attempt to be constructive has been made, and several suggestions have been included which might provide better focus on some recommendations and clarify others.

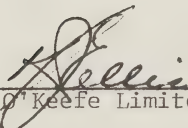
Five recommendations concerning the pricing and advertising of alcoholic beverages are opposed. The Ontario Brewers believe that the Ontario Youth Secretariat has been inadequately or improperly informed on these issues and thus has proposed


recommendations which, if implemented, would either not accomplish the objectives being sought - or worse yet, have counter-productive effects which would compound any problems of youth and alcohol which now exist in Ontario. Alternative policy solutions to these five recommendations could be developed. The Ontario Brewers want to participate in the development of these alternatives.

The sixth recommendation opposed, (No. 32), is challenged on the basis that all the research proposed in the "Youth and Alcohol" report should not be centered in only one research agency. This is not a criticism of the capability of ARF in its particular field. Rather, it is a recognition that the proposed research will require a multi-disciplinary approach which should involve a number of research agencies if the necessary objectivity and credibility is to be achieved.

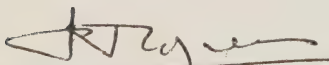
The Ontario Brewers would also like to reiterate the point that the Brewing Industry is vitally interested in finding solutions to the alcohol abuse problem. Considerable knowledge, experience and research resources are available within

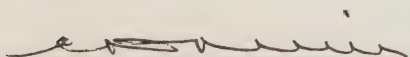
the Industry. It is hoped that the Brewing Industry will be viewed as a collaborative resource for policy-makers to draw upon and that it will be invited to make its contribution to the solution, using the people, the systems and the sophisticated business techniques that make the Ontario Brewing Industry one of the most efficient industries in Canada and the envy of other industries around the world.


Carling O'Keefe Limited


Henninger Brewery (Ontario) Ltd.


Labatt's Ontario Breweries


Molson's Brewery (Ontario) Limited


Brewers' Warehousing Company, Limited

RECOMMENDATIONS OF
THE "YOUTH AND ALCOHOL" REPORT

ENDORSED BY

THE ONTARIO BREWERS

RECOMMENDATION 2

THE MINISTRIES OF THE ATTORNEY GENERAL, THE SOLICITOR GENERAL, AND CONSUMER AND COMMERCIAL RELATIONS SHOULD MORE STRICTLY ENFORCE THE LAWS AND REGULATIONS THAT PERTAIN TO ALCOHOL-RELATED OFFENCES.

RECOMMENDATION 3

THERE SHOULD BE A STRICTER ENFORCEMENT OF THE LAWS THAT PERTAIN TO DRINKING-DRIVING OFFENCES (NOT JUST FOR YOUTH BUT FOR ALL AGE GROUPS).

RECOMMENDATION 13

THE GOVERNMENT OF ONTARIO, THROUGH ITS APPROPRIATE MINISTRIES AND AGENCIES, SHOULD EVALUATE THE IMPACT OF PRESENT PROGRAMS WITH A VIEW TO FURTHER DEVELOPMENTS OF ALCOHOL EDUCATION PROGRAMS REGARDING ALCOHOL USE.

RECOMMENDATION 16

THE GOVERNMENT OF ONTARIO SHOULD DIRECT OR COMMISSION EXTENSIVE RESEARCH INTO THE EFFECT OF ALCOHOL ADVERTISING ON THE POPULATION, IN GENERAL, AND ON YOUTH, IN PARTICULAR.

RECOMMENDATION 17

THE MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS PROVIDE MANDATORY CARDS DISPLAYING THE INDIVIDUAL'S PICTURE FOR PURPOSE OF ACCURATELY IDENTIFYING THOSE OVER THE AGE OF NINETEEN WISHING TO PURCHASE OR CONSUME ALCOHOLIC BEVERAGES. A PERIOD OF SIXTY DAYS SHOULD BE GIVEN TO PROCURE AN AGE CARD DURING WHICH TIME THE CARDS SHOULD BE FREE.

RECOMMENDATION 20

THE MINISTRY OF EDUCATION SHOULD PLACE GREATER STRESS ON HEALTH EDUCATION, IN GENERAL, AND ALCOHOL EDUCATION, IN PARTICULAR.

RECOMMENDATION 21

THE MINISTRY OF EDUCATION SHOULD PROVIDE MORE EXTENSIVE AND ADEQUATE TEACHER TRAINING REGARDING BOTH THE CONTENT AND PROCESSES OF ALCOHOL EDUCATION.

RECOMMENDATION 22

THERE SHOULD BE A BETTER DEVELOPED AND TESTED SERIES OF ALCOHOL CURRICULUM GUIDELINES.

RECOMMENDATION 23

THE MINISTRY OF EDUCATION SHOULD ENCOURAGE
EXPLICIT CONSIDERATION OF ALCOHOL WITHIN
EDUCATION BEFORE GRADE 7 (E.G., GRADES 5
AND 6).

RECOMMENDATION 24

A GREATER EMPHASIS SHOULD BE PLACED ON
RESEARCH AND EVALUATION CONCERNING:

- (i) HOW PRESENT CURRICULA ARE BEING
USED;
- (ii) THE PROBLEMS AND SUCCESSES OF
PRESENT PROGRAMS;
- (iii) STUDENT AND TEACHER NEEDS;
- (iv) OPTIMAL WAYS OF DEVELOPING AND
IMPLEMENTING NEW PROGRAMS; AND
- (v) THE IMPACT OF NEW PROGRAMS.

RECOMMENDATION 25

GREATER EFFORTS SHOULD BE MADE TO EDUCATE
"SOCIETY" REGARDING ALCOHOL, ITS USES AND
ITS EFFECTS.

RECOMMENDATION 26

DRIVER EDUCATION COURSES APPROVED BY THE
GOVERNMENT SHOULD HAVE AN ADEQUATE AMOUNT
OF ALCOHOL-RELATED CONTENT.

RECOMMENDATION 29

TESTS THAT QUALIFY APPLICANTS FOR A BEGIN-
NER'S DRIVING PERMIT SHOULD CONTAIN SIGNI-
FICANT QUESTIONS CONCERNING ALCOHOL.

RECOMMENDATIONS OF
THE "YOUTH AND ALCOHOL" REPORT
ABOUT WHICH THE ONTARIO BREWERS ARE
NEUTRAL, OR HAVE A CONDITIONAL RESPONSE

RECOMMENDATION 1

THE GOVERNMENT OF ONTARIO SHOULD SELECT AND IMPLEMENT ONE OF THE APPROPRIATE ALCOHOL POLICIES OUTLINED IN ONTARIO'S BEVERAGE ALCOHOL SYSTEM: POLICY AND ORGANIZATIONAL OPTIONS PREPARED BY THE MANAGEMENT POLICY DIVISION OF MANAGEMENT BOARD IN NOVEMBER OF 1974.

RECOMMENDATION 4

THERE SHOULD BE A SUBSTANTIAL MINIMUM PENALTY FOR UNDERAGE PURCHASING AND CONSUMPTION OF ALCOHOL.

RECOMMENDATION 5

THERE SHOULD BE A SUBSTANTIAL MINIMUM PENALTY FOR LEGAL PURCHASE OF ALCOHOL BY AN ADULT FOR A MINOR.

RECOMMENDATION 6

THERE SHOULD BE A SUBSTANTIAL MINIMUM PENALTY FOR LIQUOR LICENCE HOLDERS WHO SERVE ALCOHOL TO A MINOR.

RECOMMENDATION 7

NO FURTHER CHANGES (WHICH MAY BE PERCEIVED AS LIBERALIZATION) SHOULD BE MADE TO THE LIQUOR CONTROL ACT AND THE LIQUOR LICENCE ACT SPECIFICALLY AS THEY RELATE TO YOUNG PEOPLE, UNTIL AND UNLESS THE CONSEQUENCES OF THESE CHANGES ARE KNOWN.

RECOMMENDATION 8

THE MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS SHOULD SEPARATE THE LEGAL DRINKING AGE FROM THE 1971 AGE OF MAJORITY PACKAGE AND RAISE IT TO NINETEEN YEARS FOR A SIGNIFICANT LENGTH OF TIME TO DETERMINE THE EFFECTS WITH A VIEW TO FUTURE CHANGES AFTER THE EFFECT HAS BEEN STUDIED.

RECOMMENDATION 12

THE PRICE OF NON-ALCOHOLIC BEVERAGES IN LICENSED PREMISES SHOULD BE NO GREATER THAN 1/3 OF THE AVERAGE PRICE OF A MIXED DRINK. IN ADDITION, NON-ALCOHOLIC BEVERAGES SHOULD BE MANDATORY AND THEIR AVAILABILITY SHOULD BE PROMOTED.

RECOMMENDATION 18

THE MINISTRY OF TRANSPORTATION AND COMMUNICATIONS SHOULD PROVIDE PROBATIONARY RATHER THAN FULL LICENSES TO THOSE BETWEEN THE AGES OF SIXTEEN AND EIGHTEEN YEARS INCLUSIVE. ANY DRINKING-DRIVING OFFENSE COMMITTED ON THIS PROBATIONARY STATUS WOULD MEAN THE IMMEDIATE LOSS OF DRIVING PRIVILEGES FOR ONE YEAR UPON A FIRST OFFENSE AND TWO YEARS UPON A SECOND OFFENSE.

RECOMMENDATION 19*

THE GOVERNMENT OF ONTARIO SHOULD DIRECT OR COMMISSION INTENSIVE RESEARCH TO DETERMINE THE SIGNIFICANCE OF THE OPERATING PRACTICES AND THE PROXIMITY OF THOSE LICENSED PREMISES AND RETAIL ALCOHOL OUTLETS CLOSE TO HIGH SCHOOLS AND OTHER CONGREGATING PLACES FOR YOUNG PEOPLE.

19*

Omitted in copies of "Youth and Alcohol" report received from the Ontario Youth Secretariat.

This recommendation is included in a section identified as: "5. Proximity to Youth".

RECOMMENDATION 27

THE PRIORITY OF DRIVER EDUCATION IN HIGH SCHOOLS SHOULD BE ELEVATED TO THE LEVEL OF A CREDIT COURSE.

RECOMMENDATION 28

THE MINISTRY OF TRANSPORTATION AND COMMUNICATIONS SHOULD MAKE PROVISIONS FOR THOSE UNABLE TO BENEFIT FROM DRIVER EDUCATION GIVEN IN THE PUBLIC SCHOOL SYSTEM.

RECOMMENDATION 30

THE MINISTRY OF TRANSPORTATION AND COMMUNICATIONS AND THE MINISTRY OF EDUCATION SHOULD CO-OPERATE IN THE DEVELOPMENT OF A COMPREHENSIVE DRIVER EDUCATION PROGRAM.

RECOMMENDATION 31

THE GOVERNMENT OF ONTARIO, THROUGH THE MINISTRY OF HEALTH, SHOULD ENCOURAGE THE DEVELOPMENT OF A FEW EXPERIMENTAL TREATMENT FACILITIES OR PROGRAMS EXPLICITLY FOR YOUTH AND SHOULD MONITOR THEIR EFFECTIVENESS.

RECOMMENDATIONS OF
THE "YOUTH AND ALCOHOL" REPORT
WHICH ARE OPPOSED BY
THE ONTARIO BREWERS

RECOMMENDATION 9

THE PRICE OF ALCOHOLIC BEVERAGES SHOULD
BE BASED ON THE CONCENTRATION OF ALCOHOL
PRESENT IN THOSE BEVERAGES TO ACHIEVE A
CONSISTENT ALCOHOL PRICING POLICY.

RECOMMENDATION 10

THE PRICE OF ALCOHOLIC BEVERAGES SHOULD
BE PEGGED TO THE AVERAGE DISPOSABLE
INCOME.

RECOMMENDATION 11

THE PROVINCIAL GOVERNMENT SHOULD SERIOUSLY
CONSIDER INCREASING THE PRICE OF ALCOHOL
TO A LEVEL THAT WOULD SIGNIFICANTLY REDUCE
ALCOHOL ABUSE AND ALSO PROVIDE ADEQUATE
REVENUE TO COPE WITH THE "ENTIRE" COST
INCURRED BY SOCIETY FOR THE PRIVILEGE
OF HAVING READILY AVAILABLE ALCOHOL.

RECOMMENDATION 14

THE GOVERNMENT OF ONTARIO, THROUGH THE
MINISTRY OF CONSUMER AND COMMERCIAL
RELATIONS, SHOULD STRONGLY ENCOURAGE
PRODUCERS OF ALCOHOLIC BEVERAGES TO
ALLOCATE SIZEABLE PORTIONS, PERHAPS
20%, OF THEIR ADVERTISING EXPENDITURES
TO THE PORTRAYAL OF THE PERSONALLY AND
SOCIALLY HARMFUL, COSTLY AND UNDESIRABLE
ASPECTS OF ALCOHOL CONSUMPTION INCLUDING
THE INDIVIDUAL'S RESPONSIBILITY IN THIS
REGARD AND THE POSITIVE ALTERNATIVES TO
ALCOHOL CONSUMPTION AND ABUSE.

RECOMMENDATION 15

EACH PACKAGE AND INDIVIDUAL CONTAINER OF
ALCOHOLIC BEVERAGES SHOULD CONTAIN A
WARNING AS TO THE POSSIBLY HARMFUL
EFFECTS OF ALCOHOL CONSUMPTION AND THE
PROBLEMATIC EFFECTS OF ALCOHOL ABUSE.

RECOMMENDATION 32

THE ADDICTION RESEARCH FOUNDATION OF ONTARIO
SHOULD BE GIVEN THE MANDATE TO CONDUCT ALL
RESEARCH IN THE FOLLOWING RECOMMENDATIONS
MADE PREVIOUSLY IN THIS REPORT.

RECOMMENDATION 8	(AGE)
RECOMMENDATION 16	(ADVERTISING)
RECOMMENDATION 19	(PROXIMITY TO YOUTH)
RECOMMENDATION 22, 24	(EDUCATION)
RECOMMENDATION 31	(COUNSELLING)

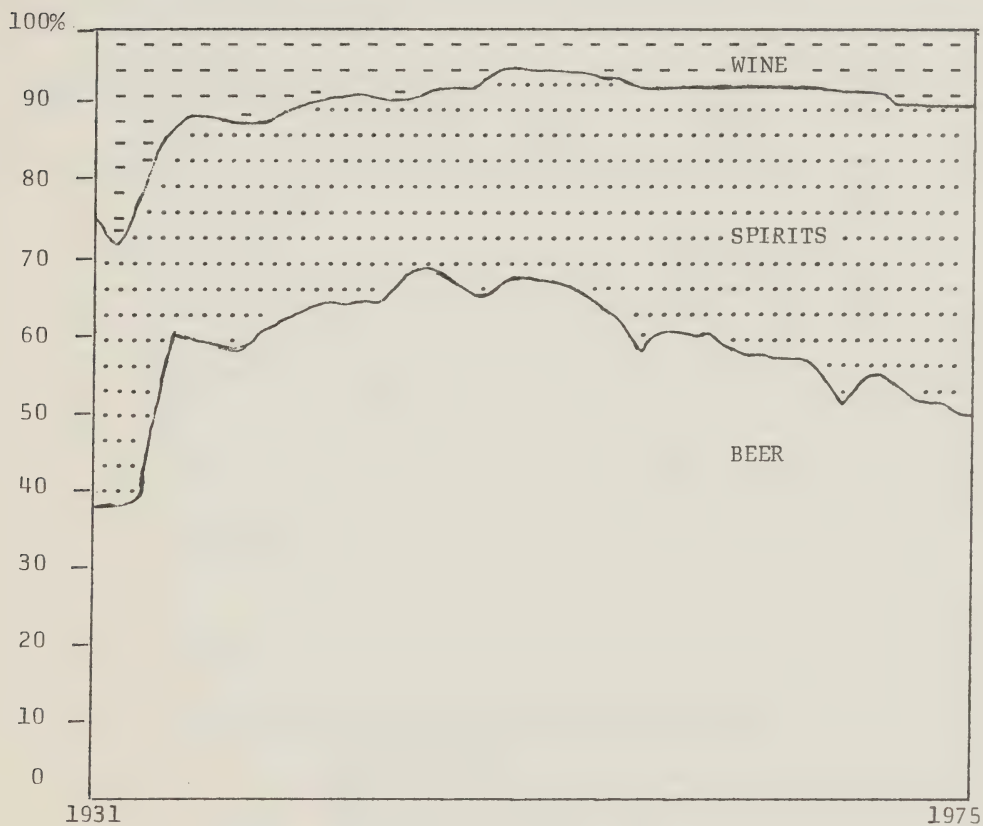
CONSUMPTION OF BEER, SPIRITS AND WINE IN ONTARIO
FOR THE YEARS 1965 AND 1972 TO 1975

	FOR THE FISCAL YEAR ENDING MARCH 31ST,				
	1965	1972	1973	1974	1975 (Est.)
BEER					
Total Gallons of Alcohol consumed					
Per Capita - (15 years and over)	5,193,712	7,061,550	7,289,101	7,707,370	7,805,698
Consumption of Alcohol	1.16	1.29	1.29	1.34	1.31
1.28					
SPIRITS					
Total Gallons of Alcohol consumed					
Per Capita - (15 years and over)	3,067,184	4,728,491	5,011,197	5,539,408	6,004,762
Consumption of Alcohol	.68	.86	.89	.96	1.01
WINE					
Total Gallons of Alcohol consumed					
Per Capita - (15 years and over)	589,793	1,277,546	1,390,063	1,446,043	1,522,293
Consumption of Alcohol	.13	.23	.25	.25	.26
TOTAL					
Total Gallons of Alcohol consumed					
Per Capita - (15 years and over)	8,850,689	13,067,587	13,690,361	14,692,821	15,332,753
Consumption of Alcohol	1.97	2.38	2.43	2.55	2.58
Beer alcohol as % of Total	58.7%	54.0%	53.2%	52.5%	50.9%
Spirits alcohol as % of Total	34.6%	36.1%	36.6%	37.7%	39.2%
Wine alcohol as % of Total	6.7%	9.9%	10.2%	9.8%	9.9%
49.6 *					

Source: Brewers' Association of Canada;
The Liquor Control Board of Ontario;
Statistics Canada.

* From "Addictions", Summer, 1976,
Richard Gilbert, ARF.

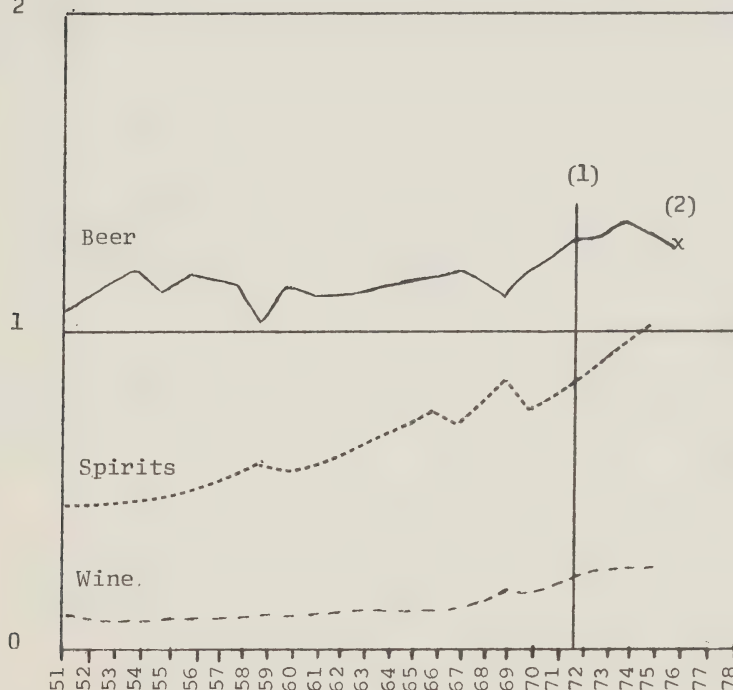
PERCENTAGE OF ALCOHOL CONSUMED IN THE FORM OF
BEER, SPIRITS AND WINE
1931-1975



Source: "The Control & Sale of Alcoholic
Beverages in Canada" and Annual
Reports of The Ontario Liquor
Control Board.

ONTARIO
ADULT PER CAPITA CONSUMPTION OF ABSOLUTE ALCOHOL
SPIRITS, WINE, BEER

Imp. 2
Gals.



Source: Statistics Canada
(Year ending March 31)

1. Reduction of legal drinking age.
2. Adult per capita for year ended March 31st, 1976. (estimated)
(Source: Brewers' Warehousing Company, Ltd.)

AN INTERNATIONAL COMPARISON
SPECIAL TAXES ON ALCOHOLIC BEVERAGES (1975)

	TAXES ON A GALLON OF ALCOHOL			COMPARISON OF TAXES	
	In Beer	In Table or Light Wine	In Spirits	Ratio of Tax on Wine to Beer	Ratio of Tax on Spirits to Beer
	\$	\$	\$		
1. Austria	5.18	-	10.86	0.0	2.1
2. Belgium	6.16	5.86	30.45	0.9	4.9
3. Czechoslovakia (1)	10.57	7.00	35.34	0.7	3.3
4. Denmark	45.16	34.67	82.01)	0.8	1.8
			117.09)		2.5
5. Finland	26.42	47.03	79.70	1.8	3.0
6. France	1.74	0.81	25.59)	0.5	14.7
			36.96)		21.2
			47.46)		27.3
7. Germany (West)	4.98	-	26.51	0.0	5.3
8. Netherlands	8.25	6.48	27.43	0.8	3.3
9. Norway	44.24	43.39	135.86	1.0	3.1
10. Sweden	45.45	43.20	129.00)	1.0	2.8
			136.04)		3.0
11. Switzerland	4.24	-	39.71	0.0	9.4
12. United Kingdom	26.12	55.16	79.81	2.1	3.1
13. Australia	45.80	-	73.04) (2)	0.0	1.6
			70.77) (2)		1.5
14. New Zealand (3)	18.19	15.72	31.64	0.9	1.7
15. United States (4)	11.17	5.87	38.67	0.4	3.5
AVERAGE OF 15 COUNTRIES					4.7
Canada (5)	27.00	46.00	74.60	1.7	2.7
Ontario	16.31	39.38 (av)	63.76	2.4	3.9

- (1) Based on 1972 data.
(2) Includes 15% Federal Sales Tax levied on wholesale level which is not levied on beer or wine.
(3) For purposes of this comparison sales tax which is levied on wine and spirits but not on beer, is included.
(4) Based on Federal Excise Tax plus average of State net revenues.
(5) Based on Federal Excise Duty or Tax plus average of Provincial net revenues.

IMPACT OF
ADDITION RESEARCH FOUNDATION POLICY RECOMMENDATION
ON PRICE OF ALCOHOLIC BEVERAGES IN ONTARIO

	<u>Present Price</u> \$	<u>Price Under First Stage of ARF Policy Recommendation</u> \$	<u>* Price Under Second Stage of ARF Policy Recommendation</u> \$
24 Beer (excluding bottle deposit)	6.35	9.36	28.50
26 oz. inexpensive Canadian table wine	1.75	2.02	6.19
26 oz. inexpensive fortified wine	1.60	3.04	9.28
25 oz. inexpensive Canadian gin	6.50	6.50	19.84

* - Note Based on estimated Personal Disposable
Income for 1975.



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